

LAW OFFICES

**JACKSON & CAMPBELL, P.C.**

ONE LAFAYETTE CENTRE

SUITE 300 SOUTH

1120 20TH STREET, N.W.

WASHINGTON, D.C. 20036-3437

INT'L TELEX: 64706

TELECOPIER (202) 457-1678

(202) 457-1600

THOMAS SEARING JACKSON\*  
EDMUND D. CAMPBELL\*  
OF COUNSEL

MARYLAND OFFICE  
200 A MONROE STREET  
ROCKVILLE, MARYLAND 20850  
(301) 340-0450

VIRGINIA OFFICE  
1000 NORTH RANDOLPH STREET  
SUITE 104  
ARLINGTON, VIRGINIA 22201  
(703) 522-1330

BENJAMIN W. DULANY\*  
KENNETH WELLS PARKINSON  
DANIEL WEBSTER COON\*  
ARTHUR C. ELGIN, JR.\*  
JAMES P. SCHALLER\*  
JO V. MORGAN, JR.\*  
JOHN A. NEVIUS  
PATRICIA D. GURNE  
NICHOLAS STILLWELL McCONNELL\*\*  
ALAN R. SWENDIMAN\*  
SIDNEY C. COUSINS, JR.\*  
PATRICK L. WOODWARD\*  
JAMES R. MICHAL\*  
M. ELIZABETH MEDAGLIA\*  
DAVID H. COX\*  
MICHAEL J. McMANUS\*  
JOHN J. BRENNAN, III\*\*  
RICHARD W. BRYAN\*  
CHRISTINE A. NYKIEL\*  
PAUL S. SCHLEIFMAN\*  
TIMOTHY R. DINGILIAN\*  
ANTOINETTE A. LEBEL  
RICHARD J. DeFEO, JR.  
MARY LYNN REED\*  
WARREN LUTZ\*

\* ALSO ADMITTED IN MARYLAND  
\* ALSO ADMITTED IN VIRGINIA

RECORDATION NO. 8162-1  
Filed & Recorded  
APR 24 1987 1-30 PM

RECORDATION NO. 8162-2  
Filed & Recorded  
APR 24 1987 1-30 PM

INTERSTATE COMMERCE COMMISSION

April 24, 1987

INTERSTATE COMMERCE COMMISSION

7-114A035

457-1638

Date APR 24 1987  
Fee \$ 20.00  
ICC Washington, D.C.

100 OFFICE OF  
THE SECRETARY  
APR 24 1 21 PM '87  
MOTOR CARRIER UNIT

Ms. Noreta R. McGee  
Office of the Secretary  
Recordation Office  
Interstate Commerce Commission  
12th Street and Constitution Avenue, N.W.  
Washington, D.C. 20423

Re: North American Car Corporation, a Delaware Corporation;  
Case No. LA 84-23401 BR (Chapter 11), In the United  
States Bankruptcy Court for the Central District of  
California; Order Clarifying the Order Authorizing  
Debtor in Possession to Reject Ten Unexpired Leases of  
Railroad Equipment; Order Authorizing Debtor in  
Possession to Reject Ten Leases of Railroad Equipment;  
ICC Recordation Nos. 8162-I and 8162-J

Dear Ms. McGee:

In accordance with the provisions of Section 11303 of the  
Revised Interstate Commerce Act, 49 U.S.C. § 11303, and Part 1177  
of Title 49 of the Code of Federal Regulations, we request, as  
special counsel for American National Bank and Trust Company of  
Chicago (as agent for Teachers Insurance and Annuity Association  
of America, the Jefferson-Pilot Life Insurance Company (successor  
in interest by merger to the Jefferson Standard Life Insurance  
Company), and the Ohio National Life Insurance Company), that the  
enclosed documents be recorded and filed with the Interstate  
Commerce Commission.

You will find enclosed two originals of the following  
documents:

*C. Campbell*

1. Order Clarifying the Order Authorizing Debtor in Possession to Reject Ten Unexpired Leases of Railroad Equipment (entered February 9, 1987); and
2. Order Authorizing Debtor in Possession to Reject Ten Leases of Railroad Equipment (entered December 2, 1986).

Both Orders are entered in the United States Bankruptcy Court for the Central District of California, Case No. LA 84-23401-BR.

The above-referenced Orders are secondary documents. The primary documents to which these Orders are connected are the Lease of Railroad Equipment recorded under No. 8162-B and other related documents filed under recordation Nos. 8162, 8162-A, 8162-C, 8162-D, 8162-E and 8162-F, 8162-G and 8162-H. Inasmuch as there are already documents filed through No. 8162-H, these Orders should be assigned Recordation Nos. 8162-I and 8162-J, respectively.

These Orders effectuate a rejection of various leases, including that which is recorded under Recordation No. 8162-B by North American Car Corporation, the bankrupt debtor-in possession. The railroad equipment (465 cars) involved is more specifically described in Exhibit A attached hereto and incorporated herein by this reference.

The parties interested in the aforesaid Orders are:

AMERICAN NATIONAL BANK AND TRUST COMPANY  
OF CHICAGO  
33 North LaSalle Street  
Chicago, Illinois 60690

and

GENERAL ELECTRIC RAILCAR SERVICES CORPORATION  
33 West Monroe Street  
Suite 2400  
Chicago, Illinois 60603

and

NORTH AMERICAN CAR CORPORATION  
333 West Monroe Street  
Suite 2400  
Chicago, Illinois 60603

Ms. Noreta R. McGee  
April 24, 1987  
Page 3

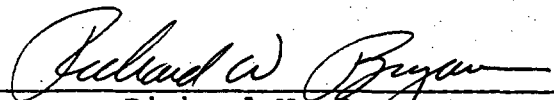
You will also find enclosed herewith one check made payable to the Interstate Commerce Commission in the amount of \$20.00 each, which amount is intended as full and final payment of the filing fee to be incurred in connection herewith.

Would you please stamp, as filed, each of the duplicate originals enclosed herewith and return the stamped duplicate originals not used by your office to our office at your earliest possible convenience?

If you have any questions in this regard, please do not hesitate to contact us.

Sincerely yours,

JACKSON & CAMPBELL, P.C.

By   
Richard W. Bryan

RWB:tkd  
Enclosures

cc: Kurt L. Kicklighter, Esquire

Interstate Commerce Commission  
Washington, D.C. 20423

OFFICE OF THE SECRETARY

4/24/87

Richard W. Bryan  
Jackson & Campbell  
1120 20th St. N.W.  
Washington, D.C. 20036-3437

Dear Sir:

The enclosed document(s) was recorded pursuant to the provisions of Section 11303 of the Interstate Commerce Act, 49 U.S.C. 11303, on 4/24/87 at 1:30pm, and assigned re-recording number(s). 8162- I & 8162-J

Sincerely yours,

*Noreta R. McGee*  
Secretary

Enclosure(s)

SE-30  
(7/79)

1 NACHMAN, MUNITZ & SWEIG, LTD.  
 115 South LaSalle Street, Suite 2880  
 2 Chicago, Illinois 60603  
 (312) 263-1480

3 Attorneys for Debtors and  
 Debtors in Possession

4 UNITED STATES BANKRUPTCY COURT  
 5 CENTRAL DISTRICT OF CALIFORNIA

6 In re

7 NORTH AMERICAN CAR CORPORATION,  
 8 a Delaware corporation; TEXAS  
 RAILWAY CAR CORPORATION, a  
 9 Delaware corporation; TIGER  
 FINANCIAL SERVICES, INC., a  
 10 Delaware corporation; TIGER  
 MARINE, INC., a Delaware  
 11 corporation; SURFACE TRANSPOR-  
 TATION OF OHIO, INC., an Ohio  
 12 corporation; SURFACE TRANSPOR-  
 TATION INTERNATIONAL, INC. a  
 13 Missouri corporation; S.T.I. OF  
 LOUISIANA, INC., a Louisiana  
 14 corporation; S.T.I. OF SOUTH  
 DAKOTA, INC., a South Dakota  
 15 corporation; S.T.I. OF WIS-  
 CONSIN, INC., a Wisconsin  
 16 corporation; S.T.I. SPECIAL  
 SERVICES, INC., a Missouri  
 17 corporation; AIR AND SURFACE  
 TRANSPORTATION INTERNATIONAL,  
 18 INC., a Missouri corporation;  
 S.T.I.X. CAR LEASING INCORPO-  
 19 RATED, a Missouri corporation;  
 S.T.I. OF KANSAS, INC., a  
 20 Kansas corporation; P & R RAIL  
 CAR SERVICE CORP., a Maryland  
 21 corporation; and NORTH AMERICAN  
 CAR (CANADA) LIMITED, an  
 22 Ontario corporation,

23 Debtors.

Case Nos.

LA 84-23401-BR;  
 LA 84-23402-BR;  
 LA 84-23403-BR through  
 LA 84-23417-BR.

Chapter 11

(Jointly Administered)

THIS DOCUMENT APPLIES  
 TO THE FOLLOWING CASE:

LA 84-23401-BR

ORDER AUTHORIZING DEBTOR  
 IN POSSESSION TO REJECT  
 TEN LEASES OF RAILROAD  
 EQUIPMENT

DATE: March 31, 1986  
 TIME: 2:00 p.m.  
 PLACE: Courtroom "A"

1 This matter coming on to be heard on the Motion of  
2 North American Car Corporation, debtor in possession ("NACC"),  
3 for the entry of an order authorizing it to reject the  
4 following leases of railroad equipment (the "Leases"):

5 a. Lease, dated as of August 1, 1980, with  
6 Americas, Inc., a copy of which is annexed to the Motion  
7 as Exhibit A;

8 b. Lease, dated as of February 1, 1972, with  
9 Bank of Delaware, as amended, a copy of which is annexed  
10 to the Motion as Exhibit B;

11 c. Lease, dated as of August 1, 1973, with  
12 American Road Equity Corporation, as amended, a copy of  
13 which is attached to the Motion as Exhibit C;

14 d. Lease, dated as of April 1, 1975, with  
15 Republic National Leasing Corporation, a copy of which is  
16 attached to the Motion as Exhibit D;

17 e. Lease, dated as of December 1, 1975, with  
18 Exchange National Bank of Chicago, as owner trustee under  
19 a trust agreement with Bank of America National Trust &  
20 Savings Association and Republic National Leasing  
21 Corporation (the "B of A Lease"), a copy of which is  
22 attached to the Motion as Exhibit E;

1 f. Lease, dated as of December 17, 1981, with  
2 Shearson Equipment Investors, a copy of which is attached  
3 to the Motion as Exhibit F;

4 g. Lease, dated as of December 18, 1981, with  
5 Shearson Equipment Investors, a copy of which is attached  
6 to the Motion as Exhibit G;

7 h. Lease, dated as of June 12, 1981, with  
8 Richmond Leasing Company, as amended, a copy of which is  
9 attached to the Motion as Exhibit H;

10 i. Lease, dated as of June 11, 1981, with North  
11 American Railcar Partners, Ltd. 1981--I, a copy of which  
12 is attached to the Motion as Exhibit I;

13 j. Lease, dated as of September 1, 1981, with  
14 Valley Bank Leasing, Inc. (the "Valley Lease"), a copy of  
15 which is annexed to the Motion as Exhibit J;

16 due notice of the filing of the Motion having been given to  
17 all parties who have requested notice of all motions in these  
18 cases; the court having considered the Motion, the objections  
19 and responses to the Motion and NACC's reply to such  
20 objections and responses; and the court further having heard  
21 the arguments of counsel; the court finding that:

22 a. With respect to each of the Leases, the rent  
23 due under the Lease exceeds one-hundred percent (100%) of  
24 the net surplus revenues generated by the railcars under  
25 the Lease.

26 b. Rejection of the Leases prior to or in the  
27 absence of the closing of the sale of substantially all of  
28

1 the assets of NACC and certain of its affiliated debtors  
2 to GECC (the "GECC Sale") would seriously disrupt many of  
3 the End User Leases, due to the rights of the lessors of  
4 the Leases upon rejection to have their railcars returned;

5 e. Accordingly, a rejection of the Leases  
6 contingent upon and effective as of the closing of the  
7 GECC Sale, is a rational exercise of NACC's business  
8 judgment and is beneficial to the creditors of NACC's  
9 estate by eliminating any potential administrative claims  
10 for rent beyond that date;

11 d. NACC previously filed a motion to reject the  
12 B of A Lease on certain terms and conditions;  
13 based upon the above findings of fact,

14 IT IS HEREBY ORDERED that:

15 1. NACC be and it hereby is authorized to reject the  
16 Leases.

17 2. The Leases shall be deemed rejected contingent  
18 upon and effective as of the closing of the GECC Sale.

19 3. NACC shall continue to distribute to the Lessors  
20 of the Leases eighty percent (80%) of all net surplus revenues  
21 from End User Leases attributable to railcars under the  
22 Leases, which shall accrue through closing of the GECC Sale.  
23 The rights of all parties to said distributions and to the net  
24 surplus revenues retained by NACC shall be preserved in  
25 accordance with the prior orders of this court concerning  
26 distribution of net surplus revenues.  
27  
28



1                   4. The hearing on NACC's pending motion to reject  
2 the B of A Lease be and it hereby is continued to June 19,  
3 1986 at 2:00 p.m.  
4

5 ENTER:  
6  
7

8 \_\_\_\_\_  
9 Bankruptcy Judge  
10

11 DATED:  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25  
26  
27  
28

APR 2 '87 17:16 GE RAILCAR 24

PAGE.02

WEIL, GOTSHAL & MANGES  
 BRUCE R. ZIRINSKY  
 BRIAN S. ROSEN  
 767 Fifth Avenue  
 New York, New York 10153  
 (212) 310-8000

LOEB & LOEB  
 ROBERT L. ORDIN  
 One Wilshire Building  
 Wilshire Boulevard  
 at Grand Avenue  
 Los Angeles, California 90017  
 (213) 829-0200

Attorneys for General Electric  
 Railcar Services Corporation and  
 Quality Service Railcar Repair  
 Corporation

UNITED STATES BANKRUPTCY COURT  
 CENTRAL DISTRICT OF CALIFORNIA

In re  
 NORTH AMERICAN CAR CORPORATION, a  
 Delaware corporation; TEXAS RAIL-  
 WAY CAR CORPORATION, a Delaware  
 corporation; TIGER FINANCIAL  
 SERVICES, INC., a Delaware  
 corporation; TIGER MARINE, INC.,  
 a Delaware corporation;  
 SURFACE TRANSPORTATION INTERNATION-  
 AL INC., a Missouri corporation;  
 SURFACE TRANSPORTATION OF OHIO,  
 INC., an Ohio corporation; S.T.I.  
 OF LOUISIANA, INC., a Louisiana  
 corporation; S.T.I. OF SOUTH DA-  
 KOTA, INC., a South Dakota corpo-  
 ration; S.T.I. OF WISCONSIN, INC.,  
 a Wisconsin corporation; S.T.I.  
 SPECIAL SERVICES, INC., a Missouri  
 corporation; AIR AND SURFACE TRANS-  
 PORTATION INTERNATIONAL, INC., a  
 Missouri corporation; S.T.I.X. CAR  
 LEASING INCORPORATED, a Missouri  
 corporation; S.T.I. OF KANSAS, INC.,  
 a Kansas corporation; P & R RAIL  
 CAR SERVICE CORP., a Maryland cor-  
 poration; and NORTH AMERICAN CAR  
 (CANADA) LIMITED, an Ontario  
 corporation,

Debtors.

No. LA 84-23401 BR  
 Chapter 11

(Jointly Administered)

THIS DOCUMENT APPLIES TO  
 THE FOLLOWING CASE:

LA 84-23401-BR

ORDER CLARIFYING THE  
 ORDER AUTHORIZING  
 DEBTOR IN POSSESSION  
 TO REJECT TEN UNEXPIRED  
 LEASES OF RAILROAD  
 EQUIPMENT

DATE OF HEARING:  
 February 5, 1987

PLACE OF HEARING:  
 Courtroom "A"

TIME OF HEARING:  
 2:00 p.m.

FILED

FEB - 5 1987

FILED

RECEIVED

APR 2 '87 17:11 GE RAILCAR 24

PAGE.03

1           This matter coming on to be heard on the Motion of  
2 General Electric Railcar Services Corporation and Quality Ser-  
3 vice Railcar Repair Corporation To Clarify the Order Autho-  
4 rizing Debtor In Possession To Reject Ten Leases of Railroad  
5 Equipment (the "Motion"); due notice of the filing of the  
6 Motion having been given to all persons of record who filed  
7 with this Court a request to receive copies of notices herein,  
8 including, but not limited to, counsel for the Official Com-  
9 mittee of Unsecured Creditors; the Court having considered the  
10 Motion and the Declaration of Winston I. Lowe, Vice President  
11 of General Electric Railcar Services Corporation ("GERSCO") in  
12 support of the Motion; the responses and objections to the  
13 Motion filed by North American Car Corporation ("NACC") Valley  
14 Bank Leasing, Inc. ("Valley Bank"), Aetna Life Insurance  
15 Company, The Aetna Casualty and Surety Company, Bank of  
16 America National Trust, and Savings Association and American  
17 Road Equity Corporation; the arguments presented at the  
18 hearing; the record herein; the resolution of the respective  
19 objections and responses;

20           **THE COURT HEREBY FINDS THAT:**

21           1. On March 31, 1986, this Court considered and  
22 granted the Motion of Debtor In Possession for Authority to  
23 Reject Ten Leases of Railroad Equipment.

24           2. Such relief was contingent upon the consummation  
25 of the transactions contemplated by the Asset Purchase Agree-  
26 ment dated February 14, 1986 (the "Asset Purchase Agreement"),  
27

1 NACC and certain of NACC's affiliated debtor corporations, as  
2 amended (the "GECC Sale").

3 3. On July 3, 1986, GECC and NACC closed the GECC  
4 Sale.

5 4. On July 31, 1986, this Court entered its Order  
6 Authorizing Debtor In Possession to Reject Ten Leases of Rail-  
7 road Equipment (the "Order")<sup>1</sup>.

8 5. The Order provided for (a) the rejection of ten  
9 leases of railroad equipment effective on the closing of the  
10 GECC Sale and (b) the continued distribution of surplus reve-  
11 nues consistent with this Court's Order Authorizing NACC to  
12 Make Payments to Secured Creditors and Railcar Lessors With  
13 Full Reservation of Rights, dated June 8, 1985, as modified on  
14 September 20, 1985.

15 6. The Order did not address the respective inter-  
16 ests of NACC, GECC and Valley Bank consistent with the terms  
17 of the Asset Purchase Agreement and the order authorizing the  
18 GECC Sale, dated March 28, 1986 (the "Sale Order"). GECC and  
19 GERSCO acknowledge the interest of Valley Bank and the "true  
20 sublease" nature of the Valley Bank sublease (the "Valley Bank  
21 Sublease").

22 7. In order to prevent further dispute as to the  
23 financial obligations as between NACC and the respective  
24 railcar lessors, as well as the duties and obligations of  
25 GERSCO, as NACC's railcar manager, and Quality Service Railcar  
26

27 

---

1. All terms defined herein shall have the meaning ascribed  
28 thereto in the Order.

APR 2 '87 17:1

GE RAILCAR 24

PAGE.05

1 Repair Corporation, as NACC's railcar repair manager, it is in  
2 the best interests of all parties-in-interest to clarify the  
3 Order.

4 The Court being fully advised in the premises and  
5 good cause existing for the entry of this clarifying Order;

6 IT IS HEREBY ORDERED THAT:

7 A. The Leases be and they hereby are deemed re-  
8 jected as of July 3, 1986 (the "Effective Date").

9 B. Each railcar leased under the Leases (the  
10 "Railcars") shall be made available to the respective Lessors,  
11 as their interest may appear, on an "as is, where is" basis,  
12 on the Effective Date.

13 C. From and after the Effective Date, GERSCO may:  
14 (i) substitute other railcars for the Rail-  
15 car(s) in any sublease or agreement, except the Valley Bank  
16 Sublease; provided however, that the substitution of such  
17 Railcar(s) is feasible, will not unreasonably disrupt the end  
18 user of such Railcar(s) and will not unreasonably impair  
19 NACC's business interests and/or relationship with such end  
20 user;

21 (ii) attempt to obtain an amendment to any  
22 sublease or agreement with respect to the Railcars to provide  
23 for the substitution of Railcars; or

24 (iii) utilize all provisions in existing sub-  
25 leases and other agreements which require third-party users,  
26 to deliver each of the Railcars to a location(s) designated by  
27 the Lessors at the third-party's risk and expense;

APR 2 '87 17:11 GE RAILCAR 24

PAGE.06

1 D. NACC or GERSCO shall (1) advise the Lessors at  
2 the earliest possible date from and after the Effective Date  
3 of the location of the Railcars and (2) accommodate the  
4 respective Lessors' instructions for the return of the  
5 Railcars in the manner, at the time, to the location and by  
6 the routes specified or approved by the Lessors; provided,  
7 however, that under no circumstances, shall NACC or GERSCO be  
8 required to unreasonably disrupt its operations with respect  
9 to the undertakings described in this decretal paragraph.

10 E. The Lessors shall not exercise any right of  
11 setoff with respect to the revenues and expenses attributable  
12 to the operation of the Railcars prior to the Effective Date  
13 without prior application to and approval by this Court upon  
14 notice to all parties-in-interest.

15 F. Except for those Railcars subject to the Valley  
16 Bank Sublease, all revenues and expenses generated by the  
17 Railcars prior to the Effective Date shall be subject to the  
18 terms and conditions of this Court's Order Authorizing NACC to  
19 Make Payments to Secured Creditors and Railcar Lessors with  
20 Full Reservation of Rights, dated June 5, 1985, as modified on  
21 September 20, 1985. *(The "Distribution Order")*

22 G. From and after the Effective Date, each Lessor  
23 shall be responsible for all railcar operating expenses  
24 relating to its respective Railcars, including but not limited  
25 to, all repair and maintenance expenses, running repairs,  
26 mileage taxes, movement and switching charges, insurance,  
27 management fees and other similar charges attributable to such

1 railcars, but only to the extent that such expenses and  
2 charges arise out of events occurring on and after the  
3 Effective Date. NACC shall remain responsible for all such  
4 railcar operating expenses and charges to the extent that such  
5 expenses and charges arise out of events occurring prior to  
6 the Effective Date. To the extent that NACC or GERSCO shall  
7 pay such expenses and charges which are attributable to the  
8 period from and after the Effective Date, each Lessor shall be  
9 obligated to reimburse NACC or GERSCO for such payments to the  
10 extent such charges and expenses are attributable to its  
11 Railcars. Notwithstanding the foregoing, neither NACC, GERSCO  
12 nor any individual Lessor by the terms of this paragraph G  
13 shall be deemed to have assumed any liability to, or for the  
14 benefit of third parties, beyond that established by  
15 applicable non-bankruptcy law.

16 H. From and after the Effective Date, as soon as  
17 practicable, each respective Lessor shall take such actions as  
18 may be necessary to remove the GERSCO running marks from the  
19 Railcars and that any expenses incurred in connection  
20 therewith shall be borne by the respective Lessor and not by  
21 GERSCO. To the extent that the GERSCO running marks are not  
22 removed as of the Effective Date, each Lessor shall indemnify  
23 NACC and/or GERSCO with respect to the Railcars owned by such  
24 Lessor from any and all claims or causes of action asserted by  
25 third parties against NACC or GERSCO arising from the  
26 operation of the Railcars from and after the Effective Date.  
27

1 I. From and after the Closing Date, as defined in  
2 the Asset Purchase Agreement, GECC may assert its rights under  
3 that certain Order and Judgment Granting Motion to Sell Assets  
4 and Assign Executory Contracts and Unexpired Leases To General  
5 Electric Credit Corporation and Approving Asset Purchase  
6 Agreement, dated March 28, 1986, and, except for the Railcars  
7 subject to the Valley Bank Sublease, upon reasonable prior  
8 notice remove the Railcars from any and all End-User Leases  
9 (as such term is used herein as defined in the Asset Purchase  
10 Agreement), and substitute other railcars therein.

11 J. To the extent that Railcars (a) remain subject  
12 to End-User Leases, (b) are in storage, or (c) are removed  
13 from End-User Leases and returned to the respective Lessor,  
14 from and after the Effective Date, the respective Lessors  
15 shall be responsible for, and shall promptly discharge by way  
16 of payment to GERSCO, all railcar operating and storage  
17 expenses related to the Railcars including, but not limited  
18 to, all repair and maintenance expenses, running repairs,  
19 mileage taxes, movement and switching charges, insurance,  
20 management fees attributable to such Railcars, but only to the  
21 extent that such expenses and charges arise out of events  
22 occurring on or after the Effective Date.

23 K. *This Order shall remain subject to the terms of the*  
*Distribution Order.*

24 Dated: Los Angeles, California  
25 February 1, 1987

26 BARRY RUSSELL

27 United States Bankruptcy Judge  
28